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PART II—Section 2

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“इस भाग में भिन्न पृष्ठ संख्या की जाती है जिससे कि ग्रलग संकलन को रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation.

RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 6th December, 1971:—

BILL No. XXXI of 1971

A Bill further to amend the Industrial Disputes Act, 1947

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. This Act may be called the Industrial Disputes (Second Amendment) Act, 1971.

14 of 1947. 2. After section 25FF of the Industrial Disputes Act, 1947 (hereinafter referred to as the principal Act), the following section shall be inserted namely:—

“25FFA. (1) An employer who intends to close down an undertaking shall serve, at least sixty days before the date on which the intended closure is to become effective, a notice, in the prescribed manner, on the appropriate Government stating clearly the reasons for the intended closure of the undertaking:

Provided that nothing in this section shall apply to—

(a) an undertaking in which not more than fifty workmen are employed or were employed on any day of the preceding twelve months,

(b) an undertaking set up for the construction of buildings, bridges, roads, canals, dams or for other construction work or project.

Short title.

Insertion of new section 25FFA.

Sixty days' notice to be given of intention to close down any undertaking.

(2) Notwithstanding anything contained in sub-section (1), the appropriate Government may, if it is satisfied that owing to such exceptional circumstances as accident in the undertaking or death of the employer or the like it is necessary so to do, by order, direct that provisions of sub-section (1) shall not apply in relation to such undertaking for such period as may be specified in the order.”.

Inset-
tion of
new
section
30A.

Penalty
for
closure
without
notice.

3. After section 30 of the principal Act, the following section shall be inserted, namely:—

“30A. Any employer who closes down any undertaking without complying with the provisions of section 25FFA shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both.”.

STATEMENT OF OBJECTS AND REASONS

The problem of closure of industrial undertakings resulting in loss of production and unemployment of large numbers of workmen has of late become very serious. Employers have declared sudden closures of industrial establishments without any notice or advance intimation to the Government. Several factors appear to have led to these closures, amongst which are accumulated losses over a number of years and mis-management of the affairs of the establishments. The unsatisfactory state of industrial relations (in the sense of labour unrest making it difficult to sustain regular production) has been pleaded as a precipitating factor. Certain other causes like financial difficulties and non-availability of essential raw materials have also been mentioned.

2. Since the problem of closure has been acute in the State of West Bengal, a President's Act—The Industrial Disputes (West Bengal Amendment) Act, 1971—was enacted on the 28th August, 1971. This provided that an employer who intended to close down an undertaking should serve at least sixty days' notice on the State Government stating clearly the reasons for the intended closure of the undertaking. While enacting this legislation for West Bengal, Government considered it desirable to promote Central legislation on the subject, since the problem of closure was not limited to West Bengal but was found in varying degrees in other States as well.

3. It was, however, felt that before Central legislation was enacted, the matter should be considered by the Indian Labour Conference. The Indian Labour Conference which met on the 22nd and 23rd October, 1971 generally endorsed the proposal for Central legislation.

4. The Bill seeks to give effect to the recommendation of the Indian Labour Conference. It provides for the service of a notice, at least sixty days before the intended closure of an undertaking is to become effective, so that within this period prompt remedial measures could be taken, where the circumstances permit to prevent such closure. No notice will be required to be served in the case of undertakings set up for construction of buildings, roads, canals, dams and other construction works and projects or in the case of small establishments employing less than fifty persons. The Bill also provides for penalty for closing down any undertaking without serving the requisite notice.

NEW DELHI;

R. K. KHADILKAR.

The 17th November, 1971.

B. N. BANERJEE,
Secretary.

